



Decision Pathway – Report

PURPOSE: For reference

MEETING: Cabinet

DATE: 07 November 2023

TITLE	Corporate Risk Management Report – Q2 2023/24	
Ward(s)	City wide	
Authors: Risk and Insurance Senior Officers	Job title: Risk and Insurance Senior Officers	
Cabinet lead: Councillor Cheney - Deputy Mayor and Cabinet member for City Economy, Finance and Performance	Executive Director lead: Stephen Peacock - Chief Executive (Head of Paid Service)	
Proposal origin: BCC Staff		
Decision maker: For noting Decision forum: For noting		
<p>1. Purpose of Report:</p> <p>1.1 The report provides an update on current significant strategic risks to achieving the Council’s objectives as set in the Corporate Strategy 2022-2027 and summarises progress in managing the risks and actions being taken as at Quarter 2_2023-24.</p>		
<p>2. Evidence Base:</p> <p>Context</p> <p>2.1 The Corporate Risk Report (CRR) is a key document in the council’s approach to the management of risk; it captures strategic risks set out in the Corporate Strategy 2022-2027. It also provides a context through which Directorates construct their own high-level risk assessments and is used to inform decision making about business planning, budget setting, transformation, and service delivery.</p> <p>2.2 The CRR provides assurance to management and Members that Bristol City Council’s significant risks have been identified and arrangements are in place to manage those risks within the tolerance levels agreed. It should be noted that ‘risk’ by definition includes both threats and opportunities, which is reflected in the CRR.</p> <p>2.3 The Accounts and Audit Regulations 2015 require that the council to have in place effective arrangements for the management of risk. These arrangements are reviewed each year and reported as part of the Annual Governance Statement (AGS). Ensuring that the Service Risk Registers (SRR), Directorate Risk Reports (DRR) and the Corporate Risk Reports (CRR) are soundly based will help the council to ensure it is anticipating and managing key risks to optimise the achievement of the council’s objectives and prioritise actions for managing those risks.</p> <p>2.4 The registers and reports are a management tool. They need regular review to ensure that the occurrence of obstacles or events that may put individual’s safety at harm, impact upon service delivery and the council’s reputation are minimised, opportunities are maximised and when risks happen, they are managed effectively to minimise the impact.</p> <p>2.5 The CRR summary of risks is attached to this report at Appendix A and is the latest position following a review by managers and Directors.</p>		

3. Corporate Risk Report - Summary of Corporate Risks:

- 3.1 Cabinet members are asked to note the CRR as a working summary report of the critical and significant risks from the Service Risk Registers as of September 2023.
- 3.2 The CRR sets out the critical, significant, and high rated threats and opportunity risks. All other business risks reside on the Service Risk Registers.
- 3.3 Further programme of work with clear instructions to colleagues was undertaken to review and revise each CRR/DRR risk description, internal controls and mitigation plans and governance. The scope of this work included where possible the identification of new risks and a fresh look to confirm ongoing risks are current along with the actions to mitigate the risks.
- 3.4 Members of EDM's reviewed the current CRRs and the DRRs in August/September 2023 to form the current CRR risks was reviewed by CLB on the 19th of September 2023. Cabinet members are asked to accept the attached CRR as a working summary report of the critical and significant risks from the Service Risk Registers.
- 3.5 The Q2 23-24 Corporate Risk Report (CRR) as at September 2023 contained:

Threat Risks	Opportunity Risks	External / Contingency Risks
1 Critical 24 High 4 Medium	1 High	1 High 2 Medium
5 Improving Risks 2 Deteriorating 2 Escalated Risks		1 Deteriorating

Please Note – There are 17 other risks scoring between 20 and 28 that have not been escalated to the Corporate Risk Register (CRR). These risks are currently being assessed for assurance, to moderate the scores below 20 or to include in the CRR. The results will be presented during the Q3 review.

A summary of risks (Threat and Opportunities) for this reporting period are set out below:

4. Critical Threat Risks

There is one critical Threat risks:

- 4.1 CRR55 - Risk of children placed in unregistered provision which is unlawful: Escalated threat risk from Children Services in Q1. The risk rating is still $4*7 = 28$ Critical threat risk. The numbers have not reduced due to high needs of the children that have required placements and lack of placements.

5. Improving Risks

There are five improving Threat risks within the report:

- 5.1 CRR5 Business Continuity and Operational Resilience May Not Be Effective: This risk score has reduced from $7*3 = 21$ High to $5*2 = 10$ High due to business continuity being in service plans and by working on the quality and adherence across BCC organisation.
- 5.2 CRR13 - Possible Financial Framework and Medium-Term Financial Plan (MTFP) Failure: The risk rating has improved from $4*7 = 28$ Critical to $3*7 = 21$ High due to processes and controls in place to enable the MTFP and budget to be developed and approved are robust.
- 5.3 CRR41 Capital Portfolio Delivery May Fail: The risk score has reduced from $5*4 = 20$ High to $5*3 = 15$ High as the construction sector, while still challenging, has become less volatile.

5.4 CRR49 – Potential Impact of Weak Workforce Resilience: The risk rating improved $5*4 = 20$ High to $3*3 = 9$ Medium as the internal controls in place are effective; and targeted work is in place to support services at a higher risk around workforce resilience.

5.5 CRR54 Potential Threat of Financial Sustainability of Nursery Schools: The risk score improved from $7*3 = 21$ High to $3*2 = 6$ Medium as Nursery Schools with a deficit have submitted deficit recovery plans that have either been approved by the Section 151 officer or have been rejected requiring further work.

6. Deteriorating Risks

There are two deteriorating Threat risks within the report:

6.1 CRR4 – Possible failure to Deliver an effective Corporate Health, Safety and Wellbeing Framework: The risk rating increased from $5*2 = 10$ Medium to $5*3 = 15$ High following a review of the current approach to managing some key areas of health and safety risks, including those in Property and the new Building Safety Act.

6.2 CRR12 Emergency planning measures & resources may be overwhelmed by scope / scale of an emergency or incident faced by the council: This risk score has increased from $7*2 =$ High 14 to $5*3 =$ High 15 as working on additional resource / budget is required to be able respond as a cat 1 responder under the civil contingencies act.

There is one deteriorating External Threat risks within the report:

6.3 BCCC4 - Possible Increase in Winter diseases including COVID-19 and Flu (formerly COVID-19 Population Health): This risk score has reduced from $1*3 =$ Low 3 to $3*3 =$ Medium 9 as we have seen a new variant emerge internationally in August 2023.

7. Escalating Risks

There are 2 Threat risks recommended for escalation to Corporate Risk Register from Directorate Risk Registers:

7.1 CRR56 – DRR Potential threat to the ASC Care Quality Commissions (CQC) Assurance Preparedness and Rating. The current risk score is $7*3 =$ High 21

7.2 CRR57 – DRR18 - Possible failure to improve compliance with procurement rules which results in procurement breaches. The current risk score is $5*4 =$ High 20

8. Emerging (In Progress) Risks:

There is one risk that are currently emerging, and workshops will be held in Q3 to draft these for consideration for inclusion on the corporate risk report:

8.1 Reinforced Autoclaved Aerated Concrete (RAAC)- this an emerging strategic threat risk to the council which we are currently investigating.

9. Static Risks

9.1 Risks have scores that have remained static over the last 3 reporting cycle as at Q2 2023. Risk owners are advised to ensure that controls and mitigations are effective, confirm why it has remained the same and if anything could be done.

10. Mitigation Actions Update

10.1 There were 45 new mitigation actions created during the reporting period which, when completed, will result in improved risk assurance and improvement towards our tolerances level. Over 70 risk mitigation actions were successfully completed.

Additional Information:

- For more detail on individual risks and their management, please see the attached Appendix A.
- The closed risks are now reflected within individual risks across the Council's Service Risk Registers.
- All risks on the CRR have management actions in place.
- It is not possible to eliminate the potential of failure entirely without significant financial and social costs. The challenge is to make every reasonable effort to mitigate and manage risks effectively, and where failure occurs, to learn and improve.
- Risks are escalated to the Corporate Risk Report (CRR) if the risk scores higher than a 20 or if a risk is determined by CLB to remain on the corporate risk report due to monitoring its significance to the councils aims and objective.

Cabinet Member / Officer Recommendations:
That Cabinet

- Notes the current strategic risks and mitigating actions being taken to reduce to within tolerance.

Corporate Strategy alignment:
Managing risks are an integral element to the achievement of the BCC Corporate Strategy deliverables.

City Benefits:
Risk Management aims to maximise achievement of the council's aims and objectives by reducing the risks to those achievements and maximising possible opportunities that arise.

Consultation Details: none

Background Documents:
<https://democracy.bristol.gov.uk/documents/s28767/10 Appendix A - BD11378 - Risk Management Assurance Policy Jan 2019.pdf>

Revenue Cost	£	Source of Revenue Funding	Insert specific service budget name
Capital Cost	£	Source of Capital Funding	e.g. grant/ prudential borrowing etc.
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: The CRR is a live document refreshed regularly following consultation across the organisation and aims to provide assurance that the council's main risks have been identified and appropriate mitigations are in place to ensure they are managed within agreed tolerances. This includes, as set out in the annual budget report, measures to ensure appropriate financial provision for these risks is made through the budget planning process. The Council should ensure it has sufficient resource available to implement actions required to bring risks down to a tolerable level. This report highlights a few critical financially related risks which will need to continue to be addressed and mitigated through planned improvements collectively owned by the leadership, refresh to the financial outlook through the MTFP, continued robust financial monitoring throughout the financial year, as well as the Council maintaining minimum reserves levels in line with the s151 officer review of financial risk in the budget taken in February 2023.

Finance Business Partner: Olu Kupoluyi, Finance Business Partner Resources. 14th September 2023

2. Legal Advice: The Corporate Risk Register enables the Council to monitor and manage identified risks and mitigations to ensure good governance and compliance with its statutory and other duties. Advice will be given separately in relation to any specific legal issues that may arise from the risks identified.

Legal Team Leader: Nancy Rollason, Head of Legal Service. 14th September 2023

3. Implications on IT: The Digital Transformation Team remain committed to undertaking and/or supporting the mitigation activities pertaining to the service risks. We provided identified those LOB systems that pose the greatest risk and made their details available to be incorporated on the risk registers of the area that own them, this includes details inherent in the risk such as; Cyber Security, and IT Resilience whereby ownership and mitigation activity should be led by the responsible service areas and reported individually.

IT Team Leader: IT Team Leader: Gavin Arbuckle, Head of Service Operations. 22nd September, 2023		
4. HR Advice: No HR implications of the recommendation.		
HR Partner: James Brereton, Head of HR. 15th September 2023		
EDM Sign-off	Resources EDM	13/09/2023
Cabinet Member sign-off	Cllr Cheney, Deputy Mayor and Cabinet member for City Economy, Finance and Performance	18/09/2023
For Key Decisions - Mayor's Office sign-off	Mayor's office	22/09/2023

Appendix A – Further essential background / detail on the proposal Q2 Corporate Risk Report 2023-2024	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Details of consultation carried out - internal and external	NO
Appendix D – Summary of any engagement with scrutiny	NO
Appendix E – Risk assessment	NO
Appendix F – Equalities screening / impact assessment of proposal	NO
Appendix D – Eco-impact screening/ impact assessment of proposal	NO
Appendix H – Financial Advice	NO
Appendix I – Legal Advice	NO
Appendix J – Exempt Information	NO
Appendix K – HR advice	NO
Appendix L – ICT	NO
Appendix M – Procurement	NO